

Minutes of Audit, Risk and Improvement Committee Meeting held on 16 November 2022 via Microsoft Teams

Meeting commenced at 5.32pm

Prior to the meeting the Audit Risk & Improvement Committee Members met in-camera.

PRESENT

Audit Risk & Improvement Committee Members	
Independent Member - Chair	John Gordon
Independent Member	Heather Smith
Independent Member	Mark Sercombe
Councillor	Clr Philippa Scott
Councillor	Clr Liz Atkins
Other attendees	
General Manager	Peter Gainsford
Director Corporate	Kelly Loveridge
Director Planning	Simone Plummer
Acting Director Community	Michael Daley
Director Infrastructure	Ryann Midei
Chief Technology Officer	Nathan Hillery
Senior Manager, Governance and Risk	Beau-Jane De Costa
Governance Coordinator	Michele Smith
Risk and Audit Manager (minute taker)	Justin Lucas
Senior Manager, People and Culture	Helen Lyons
Senior Manager Business Excellence and Customer Experience	Melanie Gurney
ICT Infrastructure Manager	Sasha Sutarov
IT Business Solutions Manager	Steven Thompson
Senior Manager, Capital Works	Stuart Hull
Financial Partnering and Analytics Manager	Chris Sleiman
Audit Office	David Daniels
Audit Office	Cassie Malone
Internal Ombudsman	Elizabeth Renneberg

ACKNOWLEDGEMENT OF COUNTRY

The chairperson acknowledged the traditional custodians of the lands on which the meeting took place both physically and virtually and paid his respects to elders past, present and emerging.

APOLOGIES:

Apologies were received from Daryl Jackson, Chief Financial Officer.

The Chair, John Gordon, welcomed new Committee member Mark Sercombe to the meeting and Ryann Midei, Director Infrastructure and Nathan Hillery, Chief Technology Officer, to their first meeting.

Beau-Jane De Costa introduced everyone in attendance to the Committee.

DISCLOSURES OF INTERESTS:

All other participants noted no changes other than as disclosed previously.

The Chair, John Gordon requested the Annual Disclosure Statements be included in ARIC Agendas for meetings moving forward..

CONFIRMATION OF MINUTES:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday, 17 August 2022 be confirmed.

Moved: Heather Smith
Seconded: Cllr Philippa Scott

Carried

RIS1122(1) Item 1 General Manager Verbal Update**DISCUSSION**

Peter Gainsford, General Manager, gave a verbal update to the Committee as summarised below:

All executive appointments have been filled. Council continues to develop its people including leadership training (Authentic Leader Program) and a recent leadership day which focussed on the customer and improving customer service, Council's innovation program and achievements over the last twelve months.

A report on de-amalgamation was tabled to Council. A Council Workshop was held. Council has also written to the Minister requesting assurances about the process.

Council will be purchasing a commercial property to assist with rental income to supplement operational expenditure. Council has made an unconditional offer and are undertaking due diligence. The decision whether to proceed with purchase will be tabled to an extraordinary meeting of Council at the end of November 2022. The Committee members were invited to review the paper (on a commercial in confidence basis) and offer insights.

Council applied for the A.R. Bluett Memorial Award in the Metro Category for the 2022 financial year. Inner West Council was one of two finalists. The Northern Beaches Council won the award. Inner West Council is proud to have been selected as a finalist and the process was a great opportunity for staff to showcase the Inner West and the great work of Council.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the verbal update.

Moved: Heather Smith
Seconded: Cllr Philippa Scott

Carried

RIS1122(1) Item 2 2023 ARIC Meeting Dates**DISCUSSION**

Beau-Jane De Costa, Senior Manager Governance and Risk, noted the dates proposed are designed to align with Council meetings. The Committee discussed the timing of the October meeting and its proximity to the delivery of the Audit. Committee members requested that each date be issued as a calendar invitation as soon as possible.

RESOLUTION

That the Audit, Risk and Improvement Committee (ARIC) endorse the proposed 2023 Meeting dates:

1. **Wednesday 1 March 2023;**
2. **Wednesday 17 May 2023;**
3. **Wednesday 16 August 2023;**
4. **Wednesday 4 October 2023 (Annual Audited Financials); and**
5. **Wednesday 22 November 2023.**

Moved: Cllr Philippa Scott
Seconded: Mark Sercombe

Carried

RIS1122(1) Item 3 Internal Ombudsman Shared Service Update and Annual Report**DISCUSSION**

Elizabeth Renneberg from the Internal Ombudsman Shared Service (IOSS) discussed utilisation of the Service and Council's proportion of it and other trends reported in the paper. IOSS has experienced a decrease in complaints about Inner West.

IOSS reports it is undertaking regular engagement with Council and has been provided with access to all information required to perform its work.

The IOSS continues to undertake prevention activities such as shared services forums, including the Regulatory Services, Governance and HR-IR forums. IOSS is scheduling code of conduct and corruption prevention training focussing on procurement for December 2022.

IOSS has prepared its annual report and has submitted it for endorsement and will present it to Council. Elizabeth noted the Public Interest Disclosure (PID) scheme due to change in October 2023 will raise significant training and change management activities including requirement for disclosures officers at each physical location.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the update and the Annual Report.

Moved: Cllr Liz Atkins
Seconded: Mark Sercombe

Carried

RIS1122(1) Item 4 Risk Management and Internal Audit Quarterly Report**DISCUSSION**

Justin Lucas, Risk and Audit Manager, provided an update to the Committee on the status and completion of ARIC Resolutions, Internal Audit Actions, IOSS recommendations and External Audit Findings.

The Committee was briefed on a Policy Harmonisation project and processes to update Risk, Business Continuity and Fraud and Corruption Control policies and related Registers.

The Committee made suggestions to mature the process, to ensure professional standards for recordkeeping of completion status and to enhance reporting on aged actions. The Committee agreed to consider and provide feedback on the policies and registers.

The Committee requested and received an update from the Audit Office on the progress of its audit for 2022.

RESOLUTION

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Risk Management and Internal Audit Quarterly Report.

Moved: Mark Sercombe
Seconded: Cllr Philippa Scott

Carried

RIS1122(1) Item 5 Major Projects Update**DISCUSSION**

Stuart Hull, Senior Manager, Capital Works, gave an overview of Major Projects including the Dulwich Hill station, Henson Park Grandstand Redevelopment and The Greenway project.

The Committee made suggestions to enhance project reporting and discussed opportunities to enhance and better manage community expectations and input on Major Projects.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the report.

Moved: Heather Smith
Seconded: Cllr Philippa Scott

Carried

RIS1122(1) Item 6 Update on Technology One Project

DISCUSSION

Kelly Loveridge, Director Corporate and Steven Thompson, IT Business Solutions Manager discussed the closure report, noting key matters involving the project delivery schedule, module scoping and delivery acceptance or modification and the governance mechanisms employed throughout the project including those relating to contractor management and project control.

The closure report confirms legacy data and systems have been archived and decommissioned and that all relevant recommendations and audit actions have been adopted and closed out.

The Committee discussed further opportunities for project reporting and analysis and continuous improvement of processes for ICT project delivery.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the report.

Moved: Heather Smith
Seconded: Mark Sercombe

Carried

RIS1122(1) Item 7 ICT SOC Compliance Assessments Summary Report

DISCUSSION

Sasha Sutarov, ICT Infrastructure Manager discussed the SOC compliance assessments including what management examines in the reports, including the matters excluded from the assessment and solution scope which require further management analysis to gain comfort in the adequacy of operating controls.

The Committee discussed key risk management initiatives involving ICT security and third party service providers and demarcations of responsibility. The Committee discussed the benefits of conducting further controls reviews to enhance the information technology security environment.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the report.

Moved: Heather Smith
Seconded: Mark Sercombe

Carried

Clr Liz Atkins retired from the meeting at 7.36pm

RIS1122(1) Item 8 Remediation of data breaches**DISCUSSION**

Sasha Sutarov, ICT Infrastructure Manager discussed the report and the steps taken to investigate, in response to mitigate potential detriments to affected persons and Council.

The Committee discussed actions implemented and options to enhance the information technology security environment, including testing, auditing, education and analysis against technical requirements relevant to strengthen Council's cyber security posture.

RESOLUTIONS

That the Audit, Risk and Improvement Committee:

- 1. Receive and note the report; and**
- 2. Receive a further update on cyber security measures including staff training and progress in relation to the Australian Signals Directorate 'Essential 8' *Strategies to Mitigate Cyber Security Incidents* and the NSW Mandatory 25 requirements under the NSW *Cyber Security Policy 2019*.**

Moved: Heather Smith
Seconded: Mark Sercombe

Carried

RIS1122(1) Item 9 Example of a Financial Assessment Performance Report from Procurement**DISCUSSION**

Kelly Loveridge, Director Corporate discussed the report, which was provided in fulfilment of an ARIC resolution.

The Committee discussed that it would like to better understand and get a future briefing on how management analyses potential contractors for major projects and how this information is applied in forming a recommendation and conclusion to engage by management.

RESOLUTIONS

That the Audit, Risk and Improvement Committee:

- 1. Note the attached Financial Assessment Performance Report; and**
- 2. Receive a further briefing on how staff assess tender proponent integrity and how the assessment report is used in the context of the procurement framework.**

Moved: Mark Sercombe
Seconded: Cllr Philippa Scott

Carried

RIS1122(1) Item 10 People & Culture Report**DISCUSSION**

Helen Lyons, Senior Manager People and Culture, discussed the development and implementation of the Inner West Council Values, how they are embedded and that they are derived from and interrelate with the capability statements from the NSW Public Service Commission. Council will next run a staff engagement survey in mid-2023 and pulse surveys, to examine how Council and staff have responded to the last survey and actions implemented in response.

The Committee discussed the report on Work Health and Safety and Council's psychosocial and mental health first aid champion initiatives as well as Council's steps to introduce financial and other practical and applied measures (budgeting skills etc.) to improve mental and physical wellbeing through the Employment Assistance Program (EAP) service.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the report.

Moved: Mark Sercombe

Seconded: Heather Smith

Carried

RIS1122(1) Item 11 Investment Report at 30 September 2022.**DISCUSSION**

Kelly Loveridge, Director Corporate and Chris Sleiman, Financial Partnering and Analytics Manager gave a high level summary of the Investment Report.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the report.

Moved: Cllr Philippa Scott

Seconded: Mark Sercombe

Carried

RIS1122(1) Item 12 Investment Report at 31 October 2022**DISCUSSION**

Kelly Loveridge, Director Corporate and Chris Sleiman, Financial Partnering and Analytics Manager gave a high level summary of the Investment Report.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the report.

Moved: Cllr Philippa Scott

Seconded: Mark Sercombe

Carried

RIS1122(1) Item 13 September Quarterly Budget Reporting Statement, and Delivery Program 2022-26 and Operational Plan 2022/23 - Quarter One report

DISCUSSION

Kelly Loveridge, Director Corporate and Chris Sleiman, Financial Partnering and Analytics Manager gave a high level summary of the First Quarter Budget Review and Delivery Program and Operational Plan reports.

RESOLUTION

That the Audit, Risk and Improvement Committee receive and note the First Quarter Budget Review for 2022/23 and the Delivery Program 2022-26 and Operational Plan 2022/23 – Quarter One report.

Moved: Mark Sercombe
Seconded: Heather Smith

Carried

GENERAL BUSINESS

DISCUSSION

The NSW Audit Office has issued its forward work plan, which will be of interest to the Council Executive and the Office of Local Government has issued guidance on the completion of disclosure of interest returns and has signalled it will conduct an audit in 2022-23 of written returns of interests lodged by Councillors and designated persons.

Next meeting – Monday 5 December 2022, 5.30pm.

Meeting closed at 8.40pm.